

1 Amend 2 Cal. Code Regs. Section 18531.61 to read:

2 **§18531.61. Treatment of Debts Outstanding After an Election ~~–Contributions Accepted on~~**
3 **~~or After January 24, 2004.~~**

4 (a) Application. Under Section 85316(a) a candidate for elective state office may solicit
5 and accept contributions after an election to pay net debts outstanding, subject to the applicable
6 contribution limit for that election. This regulation applies to contributions accepted under
7 Section 85316(a) on or after January 24, 2004, by a candidate for elective state office. See
8 Regulation 18531.6 for rules regarding the treatment of similar contributions accepted before
9 January 24, 2004.

10 (b) Definitions. For purposes of Section 85316(a) and this regulation, the following
11 definitions apply:

12 (1) “The applicable contribution limit for that election” means the contribution limit, if
13 any, as provided in Sections 85301 and 85302 applicable on the date of the election.

14 (2) “That election” or “the election” means the election for which a candidate for elective
15 state office is raising contributions to pay net debts outstanding.

16 ~~(a) As of January 24, 2004, a contribution for an election, regardless of when held, may~~
17 ~~be accepted by a candidate for elective state office after the date of the election only to the extent~~
18 ~~that the contribution does not exceed net debts outstanding from the election. For purposes of~~
19 ~~section 85316, “the applicable contribution limit for that election” means the contribution limits,~~
20 ~~if any, as provided in Government Code sections 85301 and 85302 applicable on the date of the~~
21 ~~election.~~

22 ~~(b) Transfers to a committee formed for an election held on or after January 1, 2001, or~~
23 ~~November 6, 2002, for statewide elective office, are subject to the requirements of 2 Cal. Code~~

1 ~~Regs. section 18536.~~

2 ~~(c) A candidate for elective state office subject to subdivision (a) of this regulation may~~
3 ~~use contributions accepted pursuant to Government Code sections 85316 and 85321 only for~~
4 ~~payment of net debts outstanding for an election.~~

5 ~~(d) For purposes of this section, "net debts outstanding" includes the following:~~

6 (3) "Net debts outstanding" includes all of the following:

7 ~~(1) (A)~~ An amount necessary to cover the cost of raising funds as permitted under this
8 section Section 85316(a) and this regulation.;

9 ~~(2) (B) Any costs associated with~~ Costs related to complying with the post-election
10 requirements of ~~this Title~~ Title 9 (commencing with Section 81000) of the Government Code and
11 other necessary administrative costs ~~associated with~~ related to winding down the campaign,
12 including office space rental, staff salaries, and office supplies. ~~;~~ and

13 (C) Legal fees and expenses incurred directly in connection with monitoring the count of
14 absentee or provisional ballots for the election, or with a ballot recount conducted under Chapter
15 9 (commencing with Section 15600) of Division 15 of the Elections Code for the election.

16 ~~(3) (D)~~ The total amount of unpaid debts, loans and accrued expenditures incurred with
17 respect to an the election, less the sum of both of the following:

18 ~~(A)~~ (i) The total cash on hand available to pay those debts and obligations, including:
19 currency; balances on deposit in banks, savings and loan institutions, and other depository
20 institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee
21 investments valued at fair market value. ~~;~~ and

22 ~~(B)~~ (ii) The total amounts owed to the candidate controlled committee in the form of
23 credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based

1 on the collectibility of those credits, refunds, returns, or receivables.

2 (c) Raising Funds. A candidate for elective state office may accept contributions after
3 the date of the election only up to the amount of net debts outstanding from the election. The
4 contributions accepted are subject to the applicable contribution limit for that election. The
5 candidate shall reduce the total amount of net debts outstanding as additional funds are received.
6 The candidate and his or her controlled committee(s) may not accept a contribution under
7 Section 85316(a) that exceeds the total amount of net debts outstanding on the date the
8 contribution is received. A contribution that exceeds the amount of net debts outstanding shall
9 be treated in the same manner as a contribution in excess of the contribution limits.

10 (d) Paying the Debt. A candidate for elective state office may only use a contribution
11 accepted after the election pursuant to Section 85316(a) for payment of net debts outstanding
12 from the election. The candidate may only use the funds on hand and owed to the committee,
13 described in clauses (b)(3)(D)(i) and (ii), for payment of net debts outstanding from the election.
14 The candidate shall use available funds to pay net debts outstanding as soon as practicable.

15 (e) Transfer. Pursuant to Section 85306, a candidate may transfer campaign funds from
16 another of his or her controlled committees for the purpose of paying the net debts outstanding of
17 his or her committee for elective state office under Section 85316(a). A transfer of this type
18 made to a committee for an election to a statewide elective office held on or after November 6,
19 2002, or to any other elective state office held on or after January 1, 2001, is subject to the
20 contribution limits of Sections 85301 and 85302 and attribution requirements of Regulation
21 18536.

22 ~~The amount of the net debts outstanding shall be reduced as additional funds are~~
23 ~~received. The candidates and his or her controlled committee(s) may accept contributions made~~

1 ~~after the date of an election, if such contributions do not exceed the amount of net debts~~
2 ~~outstanding on the date the contribution is received. Any contribution that exceeds the amount of~~
3 ~~net debts outstanding shall be treated in the same manner as a contribution in excess of the~~
4 ~~contribution limits.~~

5 Note: Authority cited: Section 83112, Government Code.

6 Reference: Section 83 of Proposition 34; and Sections 85201, 85301, 85302, 85306, 85316,
7 85317, 85318 and 85321, Government Code.